



December 13, 2013

Kenneth S. Fellman, Esq.
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Ptarmigan Place, Suite 900
3773 Cherry Creek North Drive
Denver, Colorado 80209

RE: Colorado Communications and Utility Alliance Meeting of December 12, 2013

Dear Ken:

This letter is a follow up to yesterday's Colorado Communications and Utility Alliance Board Meeting. I enjoyed the exchange with you and the CCUA board members and appreciated the opportunity to answer questions about Comcast's price adjustments. I am providing this response to the questions you raised in your letter of December 5, 2013 and that we discussed, so that you can share our response with any CCUA members who were not in attendance at the meeting.

You asked if the addition of the Broadcast TV Fee will result in a reduction in the price that customers pay generally and, if the answer is no, what Comcast's justification was for including some costs in the package and a piece of the costs as a separate line item. In recent years, our cost to retransmit broadcast signals has more than doubled. While your letter suggests that the basic rate encompassed "the sum total of all costs" paid to broadcast programmers, in fact, as we discussed at the meeting, that is not the case. Competitive pressures have constrained the degree to which we have to date included our programming costs (broadcast and other costs) into the basic service rate. However, those fees have been increasing steeply, and we are adopting the Broadcast TV Fee to address the recent increases in broadcast retransmission consent fees -- which, to reiterate, are not embedded in the basic rate. Accordingly, beginning in 2014 we will recover a portion of our increasing broadcast retransmission costs as a separate line item. We also believe this allows us to be more transparent with our customers regarding recent increases in those government authorized retransmission consent charges. We note that other companies have implemented similar fees to help offset those costs. Providers charging broadcast retransmission fees include Charter, AT&T U-verse, Midcontinent Cable and Wide Open West.

You also asked whether consumers are being provided clear information about what is involved in buying cable services from Comcast. As we discussed at the meeting, we want to ensure our customers are informed of all charges, and accordingly we state in our print, radio and television advertising that taxes and fees--including the Broadcast TV Fee -- are extra. In fact, we specifically note in our advertising that the Broadcast TV Fee currently may be as much as \$1.50, and that information has been included in our advertising since November of 2013.¹ In addition, we provided notice to customers of the Broadcast TV Fee via bill messages, and provided notice about the Broadcast TV Fee to our LFAs last month so our regulators could be prepared for any constituent questions regarding that new fee.

Finally, you asked if revenues generated from the Broadcast TV Fee are considered gross revenues for purposes of calculating franchise fees. We confirm that revenues generated from the Broadcast TV Fee are considered gross revenues for purposes of calculating franchise fees.

¹ You also asked why Comcast had decided to impose a retransmission consent charge but not separate line items for other programming. We simply have chosen only to address the increases in retransmission consent fees at this time.

Again, thank you for the opportunity to speak at the CCUA Board Meeting. All of us at Comcast are proud of our continuing investment in our network, our products, and our service; and, we will continue our efforts to deliver a superior experience to our customers, in every way possible. If I can be of any further assistance, please contact me at 303-603-2613.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Dolan". The signature is fluid and cursive, with the first name "Jeff" and last name "Dolan" clearly distinguishable.

Jeff Dolan
Vice President, Regulatory and Government Affairs